



FACT SHEET

Covered California Standard Benefits Announcement Frequently Asked Questions

560 J STREET
SUITE 290
SACRAMENTO, CA
95814
www.hbex.ca.gov

BOARD MEMBERS

Diana S. Dooley, Chair
Kimberly Belshé
Paul Fearer
Susan Kennedy
Robert Ross, MD

EXECUTIVE DIRECTOR

Peter V. Lee

February 13, 2013

1) What is significant about today's announcement?

Today Covered California is the first state exchange in the nation to announce what individuals can expect to get in the health plans offered under the Affordable Care Act starting 2014. These benefits must be offered in the individual and small group markets both inside and outside of Covered California's marketplace. More than 2.6 million Californians eligible for subsidies will know both their monthly cost for coverage and their out-of-pocket costs including cost per visit, medication costs, and annual maximum expenses.

Since individuals who are eligible for a subsidy have their monthly premium cost set as a percent of income, they don't have to wait for plan bids to come in to know what they will pay. With this announcement, California is leading the nation as we prepare for the largest change in health care coverage since Medicare.

Covered California also announced the launch of its consumer website – CoveredCA.com. The site will help inform Californians about the changes in health care and health insurance coverage options starting on January 1, 2014. The site – in English and Spanish – includes a cost calculator that will help consumers estimate the potential financial support they are eligible for and ultimately the estimated cost of health insurance. It will continually be updated to bring consumers more information and resources as the process continues.

Covered California is also on Facebook, Twitter (in English and Spanish), Google+ and YouTube: facebook.com/CoveredCalifornia, twitter.com/CoveredCA, (@CoveredCA), twitter.com/CoveredCA_ES (@CoveredCA_es) youtube.com/CoveredCA and gplus.to/CoveredCalifornia.

2) What are standard benefits?

Standard benefits are those benefits that must be offered by every plan that sells health insurance through Covered California. Under California law, since the Board of Covered California decided to establish standard benefit designs, those designs must be offered by all health plans in the individual and small group markets starting in January 2014. Standard designs help consumers compare the full array of what each plan will feature. This announcement means that 2.6 million Californians can know their 2014 premium costs and the exact benefits they can purchase when they can enroll. The only missing piece is which health plan they will select to be their insurer. An additional 2.7 million Californians – those who will

not be eligible for sliding scale financial help, but will now be assured health plans must offer them coverage – can know the standard designs that will be available to them.

Think of it this way: If health insurance under Covered California were a car, the platinum, gold, silver and bronze models would offer the exact same features no matter what dealer you purchase it from. Costs may vary, but the product is exactly the same, making apples to apples comparison shopping easy for consumers. And, for those who get sliding scale financial assistance, they know what it will cost them.

3) What do you mean by platinum, gold, silver and bronze plans?

The “metal levels” – platinum, gold, silver and bronze – define the level of coverage you pay as a patient compared to what the plans pay. The metal levels were defined by the Affordable Care Act as:

Coverage Levels		
Metal Level	% Paid by Health Plan	% Paid by You
Platinum	90%	10%
Gold	80%	20%
Silver	70%	30%
Bronze	60%	40%

4) How will people who don't receive financial help benefit from these standard benefits?

First, if you are in the individual or small employer market, you will benefit by being able to make apples to apples comparisons. If you have employer-based coverage, you can keep your coverage. But all families, employers and parts of the government that pay for health care stand to benefit. If all 2.6 million Californians eligible were to take advantage of subsidized coverage, it is estimated that California would receive more than \$11.5 billion in annual federal funding to support our health care delivery system. Because Californians will be able to access health care when they need it – not just in an emergency – and also take advantage of preventive care, we will have a healthier California with lower overall health care costs.

5) How will the standard benefit plans remove barriers to access and care?

What consumers pay out-of-pocket can be a barrier for many to receiving their needed care. When consumers know what their health plans are going to cost and what benefits they can count on they are more likely to seek preventive care and address health issues before they become an emergency. And taking advantage of doctor visits and recommended medications will keep them out of emergency rooms.

In addition, in focus groups, Covered California heard over and over again that Californians without coverage lived in constant fear of a big medical expense. Announcing today what millions of Californians can expect moves us from a culture of coping to a culture of security and coverage.

6) How are California's benefits different than other states?

California is one of a very few number of states in the nation to offer standard benefits. This will allow consumers to make apples to apples comparisons and mean lower administrative costs because each of the plans must be uniform. In addition, our benefit plans will allow for

innovation as health plans may propose alternative designs that benefit consumers and increase access.

7) *If I have employer-based health insurance, what does this mean for me?*

Nothing will change, but you will be able to compare plans and it will give you peace of mind that you can still be covered if you lose or change jobs.

8) *What plans will be offered and what's next?*

The advocates at Covered California will now negotiate with the health plans that will then offer our standard benefits at the four levels. Thirty-three plans have already expressed interest. We will work with these plans so that we can offer them through our marketplace. Then comes the big job: telling the public about the coverage, educating them and enrolling the 2.6 million that are eligible for subsidized care.

For more information on Covered California, please visit www.CoveredCA.com

###